# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:1992
ANSWERED ON:05.08.2005
CESS ON PETROL
Kurup Adv. Suresh

**Will the Minister of FINANCE be pleased to state:**

(a) the time since when additional excise duties in the form of cess on petroleum products like petrol and diesel are being collected;

(b) the various purposes for which such cess is being collected;

(c) amount collected for each purpose since its inception;

(d) the share of such levy to the gross revenue of the Union Government over the last three years, year-wise; and

(e) the amount utilized and for which purposes?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) Additional duty of excise was imposed in 1998 budget on Motor Spirit (commonly known as petrol) and in 1999 budget on High Speed Diesel. These additional duties of excise are deemed as cess for the purposes of Central Road Fund Act, 2000, and proceeds thereof are credited to the Central Road Fund.

(b) & (c) Amount credited to the Central Road Fund is to be utilized for following purposes and separate collection for different purposes is not made:

(i) development and maintenance of national highways;

(ii) development of the rural roads;

(iii) development and maintenance of other State roads including roads of inter-State and economic importance;

(iv) construction of roads either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings; and

(v) disbursement in respect of such projects as may be prescribed.

(d) The share of additional excise duties on petrol and diesel in gross revenue of the Union Government for the last three financial years was as under:

(Rs. In crore)

| Year | Gross Tax Revenue | Cess on MS & HSD | % Share |
|---|---|---|---|
| 2002-03 | 216266 | 5241 | 2.42 |
| 2003-04 | 254348# | 7440 | 2.92 |
| 2004-05 | 306021# | 9069 | 2.96 |

# = For 2003-04 and 2004-05, revenue collection figures are taken `Accounts` and `Revised Estimate (RE)` figures respectively.

(e) As per enclosed Annexure.

Annexure

Part (e) Year wise allocation from the Central Road Fund for different purposes is as under:

Rs. In crore

| | 2001-02 (R.E) | 2002-03 (R.E) | 2003-04 (R.E) | 2004-05 (R.E) | 2005-06 Budget Estimates (B.E) |
|---|---|---|---|---|---|
| Grants to States | 350.00 | 944.84 | 875.60 | 835.53 | 1478.55 |
| Grants to States for Inter State and Economically Important Roads | 15.00 | 95.00 | 95.00 | 92.00 | 162.05 |
| Grants to UT Governments | 17.07 | 35.16 | 35.16 | 32.47 | 56.81 |
| Grants to UTs for Inter-State and Economically Important Roads | 1.00 | 5.00 | 5.00 | 4.00 | 8.54 |
| Investment in NHAI | 2100.00 | 2000.00 | 1993.00 | 1848.00 | 3269.74 |
| Railways | 300.00 | 264.00 | 433.00 | 401.00 | 710.81 |
| Rural Roads | 2500.00 | 2500.00 | 2325.00 | 2148.00 | 3809.50 |
| Total | 5283.07 | 5844.00 | 5761.76 | 5361.00 | 9496.00 |